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Assembly
California Legislature
Committee on Rules
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May 25, 2010

Mr. Charles Murray
California Citizens Compensation Commission
c/o Dept. of Personnel Administration
1515 S Street, North Building, Suite 400
Sacramento, CA 95814

Dear Chairman Murray:

Enclosed please find the document that describes the Assembly's lease vehicle program as requested during the April 22, 2010 hearing of the California Citizens Compensation Commission.

Additionally, on May 17, 2010, Debbie Baldwin with the Department of Personnel Administration asked for auto insurance expenses. The Assembly currently pays \$884 per year for each vehicle to the Department of General Services, Office of Insurance and Risk Management. Assembly Members are also required to provide proof of liability insurance through their private insurance company to cover any non-legislative use of the vehicle.

If you have any questions or need any additional information, please feel free to contact me or the Assembly's Fiscal Officer, Gus Demas (916/319-3711).

Sincerely,


JON WALDIE
Chief Administrative Officer

Enclosure

TO: Assembly Members

FROM: Facilities Management
Phone (916) 319-3709 / Fax (916) 319-3720

SUBJECT: Legislative Vehicle Request

DATE: February 2010

THE PROGRAM

You may request a new gasoline-powered or hybrid (gasoline-electric) vehicle as your state vehicle during your term of office. The assumption is that you will drive this vehicle 90% of the time in the conduct of official state business. Once requested and approved, the Rules Committee purchases the vehicle and "leases" it back to you at a fixed monthly rate, or Total Monthly Payment.

IMPORTANT NOTE: In February 2010, the Rules Committee adopted the policy that any vehicle purchased by the Assembly must contain a percentage value of U.S./Canadian parts content that meets or exceeds 50%. This "percentage value" is listed on the vehicle's window sticker. *(You are required to list this "percentage value" on the Legislative Vehicle Request form at the end of this memo when making a vehicle request.)*

You are expected to use this vehicle for a minimum of 3 or 4 years, depending on the payment program you select at the time of the vehicle request. Replacement vehicles may be requested at the end of the leasing period if your original vehicle has 60,000 or more miles. If you request a replacement vehicle before the end of the leasing period, you may be penalized for the remaining unamortized costs of the original lease. If you leave the Assembly before the end of the leasing period, the lease is automatically cancelled without penalty.

THE COSTS (See the attached table as a guide for you to estimate costs.)

Your monthly payments will be based on the Total Purchase Price of the vehicle (the "sticker" price plus 8.75% sales tax/fees minus any rebates). The Assembly has set limits on the vehicle's maximum Total Purchase Price and on lease payment program choices:

Gasoline-Powered Vehicle:

Total Purchase Price may not exceed \$40,600. Both 4-year and 3-year payment programs are available; however, the 3-year payment program is required if the Total Purchase Price exceeds \$32,500.

Hybrid Vehicle:

Total Purchase Price may not exceed \$48,500. Both 4-year and 3-year payment programs are available; however, payments are calculated based on the Total Purchase Price minus the Assembly hybrid incentive (currently \$6,000).

Up to 90% of the calibrated Total Monthly Payment, or a maximum of \$350 (4-year program / \$400 (3-year program), is charged to your Member's Operating Budget. Your Member's Personal Share is composed of the balance plus a \$6 fee for your portion of the State Insurance provided for the vehicle's use and is paid as a monthly payroll deduction. (See tables labeled "Legislative Vehicle Payment Schedules").

IMPORTANT NOTE: In December 2009, the State Controller's Office began re-computing the State's Vehicle Portion in these Schedules to implement the California Citizens Compensation Commission's amended resolution of June 30, 2009. As a result, State Controller's Office reduced the State's Vehicle Portions in the original Schedules by 18% and increased the Member's Vehicle Portions by an equal amount. (See tables labeled "Revised Legislative Vehicle Payment Schedules" for the impact of this change).

The Rules Committee pays all gas, oil and maintenance costs. You are responsible for complying with the manufacturer's maintenance schedule, and notifying Assembly Vehicle Maintenance about any safety-related problems or serious mechanical defects.

FINDING A VEHICLE AND MAKING THE REQUEST

You may request a specific vehicle from a desired dealership's lot, or have Facilities Management place a factory order (8-10 weeks for delivery). When visiting a dealership, you should talk to the fleet manager or sales manager when discussing vehicle choices. The Assembly pays the fleet pricing that would normally be available to the State of California, to include any applicable discounts and rebates.

To make a vehicle request, complete and sign the Legislative Vehicle Request Form at the end of this memorandum and fax it to Facilities Management at 916-319-3720.

Facilities Management coordinates the approval process and negotiates the purchase deal. Only designated Rules Committee personnel may sign the sales paperwork, not the Member. Facilities Management will notify you when the vehicle may be picked up.

As an alternative to a new vehicle, the Assembly occasionally has high-quality, previous Member's legislative vehicles for use. The vehicle's Total Monthly Payment is depreciated based on its previous length of service, providing you with a used, but late-model vehicle at lower costs. All other program features remain the same.

ADDITIONAL MEMBER RESPONSIBILITIES FOR LEGISLATIVE VEHICLE USE

- 1) You must file proof of sufficient and current personal, primary liability coverage with Facilities Management before the Rules Committee will sign the vehicle purchasing paperwork; therefore, it is highly advantageous for you to pre-arrange this coverage with your private insurance company. This written documentation must show that you meet or exceed the Assembly's minimum liability insurance requirements for the non-legislative use of the vehicle. This insurance must be in effect during the entire period you have use of the vehicle. See the "Legislative Vehicle Insurance" memorandum for policies and procedures on this subject.

- 2) You must adequately track information related to the business and personal use of your legislative vehicle for income tax reporting purposes. This information must be reported annually to the Rules Committee. *See the "Vehicle Recordkeeping Requirements" memorandum for more complete information on this subject.*

LEGISLATIVE VEHICLE PAYMENT SCHEDULES

Monthly vehicle payments – 4-year payment program

Vehicle Total Purchase Price (Including sales tax and fees minus any rebates)	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$48,500
Total Monthly Payment (1.2% of Vehicle Price)	\$240	\$300	\$360	\$420	\$480	\$582
State's Vehicle Portion (Lesser of \$350 or 90% of the Total Monthly Payment. Paid from Member's Operating Budget.)	-\$216	-\$270	-\$324	-\$350	-\$350	-\$350
Member's Vehicle Portion	\$24	\$30	\$36	\$70	\$130	\$232
Member's State Insurance Portion (In addition, Members must personally pay for separate liability insurance for the non-legislative use of the vehicle.)	+\$6	+\$6	+\$6	+\$6	+\$6	+\$6
Member's Personal Share (Paid by payroll deduction)	\$30	\$36	\$42	\$76	\$136	\$238

Monthly vehicle payments – 3-year payment program

Vehicle Total Purchase Price (Including sales tax and fees minus any rebates)	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$48,500
Total Monthly Payment (1.8% of Vehicle Price)	\$360	\$450	\$540	\$630	\$720	\$873
State's Vehicle Portion (Lesser of \$400 or 90% of the Total Monthly Payment. Paid from Member's Operating Budget.)	-\$324	-\$400	-\$400	-\$400	-\$400	-\$400
Member's Vehicle Portion	\$36	\$50	\$140	\$230	\$320	\$473
Member's State Insurance Portion (In addition, Members must personally pay for separate liability insurance for the non-legislative use of the vehicle.)	+\$6	+\$6	+\$6	+\$6	+\$6	+\$6
Member's Personal Share (Paid by payroll deduction)	\$42	\$56	\$146	\$236	\$326	\$479

REVISED LEGISLATIVE VEHICLE PAYMENT SCHEDULES
Reflecting State Controller's Changes to Implement
California Citizens Compensation Commission Actions

Monthly vehicle payments – 4-year payment program

Vehicle Total Purchase Price (Including sales tax and fees minus any rebates)	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$48,500
Total Monthly Payment (1.2% of Vehicle Price)	\$240	\$300	\$360	\$420	\$480	\$582
Revised State's Vehicle Portion (Paid from Member's Operating Budget)	-\$177	-\$221	-\$266	-\$287	-\$287	-\$287
Revised Member's Vehicle Portion	\$63	\$79	\$94	\$133	\$193	\$295
Member's State Insurance Portion (In addition, Members must personally pay for separate liability insurance for the non-legislative use of the vehicle.)	+\$6	+\$6	+\$6	+\$6	+\$6	+\$6
Member's Personal Share (Paid by payroll deduction)	\$69	\$85	\$100	\$139	\$199	\$301

Monthly vehicle payments – 3-year payment program

Vehicle Total Purchase Price (Including sales tax and fees minus any rebates)	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$48,500
Total Monthly Payment (1.8% of Vehicle Price)	\$360	\$450	\$540	\$630	\$720	\$873
Revised State's Vehicle Portion (Paid from Member's Operating Budget)	-\$266	-\$328	-\$328	-\$328	-\$328	-\$328
Revised Member's Vehicle Portion	\$94	\$122	\$212	\$302	\$392	\$545
Member's State Insurance Portion (In addition, Members must personally pay for separate liability insurance for the non-legislative use of the vehicle.)	+\$6	+\$6	+\$6	+\$6	+\$6	+\$6
Member's Personal Share (Paid by payroll deduction)	\$100	\$128	\$218	\$308	\$398	\$551

**CALIFORNIA STATE ASSEMBLY
LEGISLATIVE VEHICLE REQUEST**

INSTRUCTIONS: Please fill in the spaces below as appropriate. This form **must** be signed by the Member. **Fax the completed form to Facilities Management at 916-319-3720.**

District: Member's Name:

Vehicle Description

Year:

Make:

Model:

Exterior Color:

Interior Color:

Percentage of U.S./Canadian Parts: %

Check one: Vehicle is in dealer's stock ☐ It's at another dealer ☐ Factory Order ☐

List "Dealer-Added" Options desired:

Dealership's Name:

Fleet/Sales Manager's Name:

Phone:

Fax:

License Plate Type Desired (check one): Standard CA Plate ☐ "A" Plate ☐ "E" Plate ☐

Note: "A" or "E" plates do not give special driving or parking privileges. Contact Vehicle Maintenance at 916-319-2889 for additional information.

Please read and complete the following:

I acknowledge and agree that as conditions of this vehicle purchase that: 1) I am responsible for the "Member's Personal Share" of the vehicle payment and the State auto insurance; 2) I am responsible to obtain and maintain personal, primary coverage, Liability Insurance as required by the Assembly throughout the usage period; and 3) I will maintain records to adequately report the business and personal use of the vehicle to meet vehicle recordkeeping requirements.

The Assembly Rules Committee hereby has my authorization to payroll deduct the "Member's Personal Share" of the vehicle payment as appropriate, effective upon the date the vehicle is delivered to me based on a **(check one)** 3-year Payment Program ☐ or, 4-year Payment Program ☐.

Member's Signature: _____ **Date:** _____

For Rules Committee's use: Request approved ☐ disapproved ☐

Signature: _____ **Date:** _____